

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF       )  
DELMARVA POWER & LIGHT COMPANY FOR       )  
A CHANGE IN NATURAL GAS BASE RATES       )       PSC DOCKET NO. 16-0650  
AND MISCELLANEOUS TARIFF CHANGES       )  
(FILED MAY 17, 2016)                               )

**ORDER NO. 8899**

**AND NOW**, this 7th day of June, 2016:

**WHEREAS**, on May 17, 2016, Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Delaware Public Service Commission (the "Commission") an application (the "Application") seeking approval of: (a) an increase in its natural gas base rates; (b) approval of a return on equity of 10.6%; (c) miscellaneous tariff changes; and (d) a waiver of Section 5.3.14 of the Minimum Filing Requirements requiring expense information to be filed relating to certain affiliated transactions; and

**WHEREAS**, in its Application, Delmarva represents that it is seeking an increase in gas delivery base rates of \$21,475,979, or 13.2% over total revenues; and

**WHEREAS**, the Commission having determined that, pursuant to the authority granted to it by 26 Del. C. §306(a)(1), Delmarva's Application shall be suspended pending the completion of evidentiary hearings into the justness and reasonableness of the proposed new rates and tariffs and a final decision of the Commission; and

**WHEREAS**, the Company has requested the Commission to enter an order pursuant to 26 Del. C. §306(c) permitting interim rates intended to produce an annual increase in intrastate operating revenues of \$2.5 million to be placed into effect on July 16, 2016, with proration and

subject to refund, in the event the Commission suspends the proposed rate increase; and

**WHEREAS**, the Company represents that it will abide by any Commission refund order and therefore requests the Commission to waive the requirement of 26 Del. C. §306(b) that a bond with surety be filed in connection with the implementation of interim rates; and

**WHEREAS**, the Company requests a waiver of Part V, Paragraph C (14) of the Commission's Minimum Filing Requirements because the information has already been provided to the Commission;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE  
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. That the rates and revised tariff sheets filed by Delmarva on May 17, 2016, are hereby suspended pursuant to 26 Del. C. §306(a)(1) and, subject to the implementation of interim rates as authorized herein, shall not be placed into force or effect except pursuant to law or further order of the Commission, and then only to the extent such law or further Commission order may permit or allow.

2. That the proposed non-rate modifications to its tariffs be suspended until such time as a final order in this proceeding is issued.

3. That Delmarva's request to implement interim rates intended to produce an annual increase of \$2.5 million in intrastate operating revenues, effective July 16, 2016, with proration and subject to refund, is granted.

4. That Delmarva's request to waive the requirement of 26 Del. C. §304(b) of a bond with surety with respect to the interim rates is granted, conditioned on Delmarva's representation that it will abide

by any Commission refund order.

5. That Delmarva's request to waive Section 5.3.14 of the Minimum Filing Requirements is granted.

6. That Delmarva shall give public notice of the filing of this application with the proposed rate changes and this action by the Commission, by publishing notice in the form attached hereto as Exhibit "A" in two-column format, outlined in black, in the legal classified section of The News Journal newspaper Tuesday, June 14, 2016. Delmarva shall submit proof of such publication as soon as possible, but no later than the commencement of the evidentiary hearings concerning this matter.

7. That Mark Lawrence is designated as Hearing Examiner for this matter pursuant to the terms of 26 Del. C. §502 and 29 Del. C. ch. 101 to schedule and conduct, upon due notice, such public comment sessions and evidentiary hearings, as may be necessary, to have a full and complete record concerning the justness and reasonableness of the proposed increased rates and tariff modifications. Thereafter, Hearing Examiner Lawrence shall file with the Commission his proposed findings and recommendations. Pursuant to Rule 21 of the Commission's Rules of Practice and Procedure, Hearing Examiner Lawrence is specifically delegated the authority to grant or deny petitions seeking leave to intervene and for admission of counsel *pro hac vice*. In addition, Hearing Examiner Lawrence is delegated the authority, under 26 Del. C. §102(A), to determine the form and manner of any further public notice in this matter. James McC. Geddes is designated Rate Counsel for this matter.

8. That the deadline for filing petitions to intervene pursuant to Rule 21 of the Commission's Rules of Practice and Procedure shall be Tuesday, July 5, 2016. Late-filed petitions to intervene will not be granted unless good cause is shown.

9. Delmarva is hereby placed on notice that the costs of the proceedings will be charged to it under the provisions of 26 *Del. C.* §114(b)(1).

10. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

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Chair

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Commissioner

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Commissioner

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Commissioner

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Commissioner

ATTEST:

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Secretary

**EXHIBIT "A"**

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(FILED MAY 17, 2016)                               )

**PUBLIC NOTICE OF APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR AN  
INCREASE IN NATURAL GAS BASE RATES AND MISCELLANEOUS TARIFF CHANGES**

**TO:   ALL NATURAL GAS CUSTOMERS OF DELMARVA POWER & LIGHT COMPANY:**

On May 17, 2016, Delmarva Power & Light Company ("Delmarva" or the "Company") filed an application with the Delaware Public Service Commission (the "Commission") seeking approval for an increase in its natural gas base rates and for miscellaneous tariff changes.

In its application, Delmarva seeks an increase in annual operating revenues of \$21,475,979, or 13.2% over total revenues, and to implement certain miscellaneous tariff changes.

Service Classification	Proposed Increase (\$000)			
	Full Proposed Increase		Interim Increase	
	\$	%	\$	%
R+RSH	\$ 13,792	13.9	\$1,599	1.61
GG+GVFT	\$ 5,358	11.6	\$ 639	1.38
MVG+MVFT	\$ 1,079	23.4	\$ 118	2.58
LVG+LVFT	\$ 1,128	24.8	\$ 127	2.80
Gas Lighting	\$ 0.2	10.9	\$ 0.02	1.36
LVG-QFCP	<u>\$ 119</u>	<u>1.7</u>	<u>\$ 15.8</u>	<u>.22</u>
Total	\$21,476	13.2%	\$2,500	1.54%

On June 7, 2016, in Order No. 8899, the Commission, pursuant to 26 Del. C. §306(a)(1), suspended the effectiveness of the proposed new rates and tariff revisions pending further investigation, public

comment sessions, and public evidentiary hearings, which will be held later after further public notice. However, in Order No. 8899 the Commission authorized Delmarva to place a portion of its proposed increases into effect subject to refund, pursuant to 26 Del. C. §306(c), sixty (60) days after the initial May 17, 2016 filing date, or on July 16, 2016. The Commission also granted Delmarva's request to waive the requirement of a bond with surety with respect to the implementation of the interim rates.

The Commission will make its decision on this matter on the basis of the record evidence taken at the public evidentiary hearings. The Commission may approve or reject, in whole or in part, the proposed increase and tariff revisions and may approve a different method for allocating any increase should one be found to be appropriate.

You are invited to review Delmarva's application and supporting documents to determine how your interest may be affected by going to DelaFile (<http://delafile.delaware.gov>), the Commission's docketing and file management system, and by searching for Docket No. 16-0650.

If you wish to formally participate as a party in this matter, with the right to present evidence and be represented by counsel, you must file with the Commission a petition asking for leave to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 Del. Admin. C. §1001-2.9) **on or before July 5, 2016**. All such petitions should be filed in DelaFile according to the Commission's Rules (26 Del. Admin. C. §1001-1.6.4). Petitions filed after the deadline of July 5, 2016, will not be considered except for good cause shown.

If you would like to review documents at the Commission's offices, please contact Donna Nickerson at (302) 736-7500 or by

sending an email addressed to [donna.nickerson@state.de.us](mailto:donna.nickerson@state.de.us). You may also review copies of Delmarva's application and supporting documents at the office of the Division of the Public Advocate located at either 820 North French Street, 4th Floor, Wilmington, Delaware 19801 or 29 South State Street, Dover, Delaware 19901. Please call either (302) 577-5077 or (302) 241-2555 to arrange for a time to review the documents at either of those locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. The link to this form can be found on the Commission's website, <http://depssc.delaware.gov>, or by visiting this web address: <https://delafile.delaware.gov/Complaints/FOIA.aspx>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 Del. C. ch. 100.

If you have a disability and wish to participate or to review the materials in this matter, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to [psc@state.de.us](mailto:psc@state.de.us), include "PSC Docket No. 16-0650" in the subject.